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Against the Reducement of

INTEREST;

Propounded in a *LETTER*, with the *Answer* thereunto.

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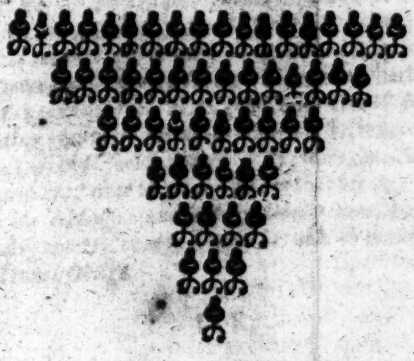

LONDON,

Printed in the year, MDCLXXI.

SEVERAL OBJECTIONS

Against the Reducement of

INTEREST

Proposed in a LETTER, with

the Answer thereunto.

LONDON,

Printed in the year MDCLXXX.

Several Objections against the Reducement of Interest; propounded in a Letter, with the Answer thereunto.

SIR,

IF divers persons whom I have spoken with upon your late Argument: I find, that the main of your discourse is either granted or faintly controverted, very few directly denying the Rise of Land by the Fall of Interest, but rather, as it were, confessing and avoiding it: They say, It holds in the notion, but fayles in the Practise; Being clogged with divers appendant inconveniencies, which either wholly frustrate its good success, or overballance it with other and worse effects. The grand Objections are these; Some affirm, It will have no influence at all; what seven is defalked from Interest will be more then supplied in gratuities, Brokage, new services for security, &c. according to the old saying, Necessity hath no Law: Some allodge, that since it is now so hard to borrow at six per Cent. It will be almost impossible at four, because men will rather keep their money in their Chests, then run so great a hazard, (as Lenders they say now do,) for so small a profit: By others, it is offered by way of grave and friendly advice to Borrowers, that they take heed what they do, For most will be driven upon purchasing and other dealings, and so their debts generally and ruinously called in. I desire to be clear in this Argument, that so I may be able to maintain it, And therefore your Resolution herein will much Oblige

SIR,

Your most humble Servant.

I. S.

SIR,

I Am glad to find, That the maintainers of our present Rate of Interest, being driven from their main defences, betake themselves to such Shifts and Colours, as shews, they would only seem to say somewhat, which in Popular Censure, they think may pass for Reason: In the first place, they tell us the Legal Restraint of Interest at this time will

prove

prove abortive, Law being subordinate to necessity; But if not now, say I, when may it take effect? surely never, since when borrowers are few it needs not, when many, belike it boots not. Might not then the Experiment safely enough be made out of our Coercive Laws? And were it not reasonable to endeavour a Reformation by Experiment? Especially since the benefit promised by its success is so many and great, and the Evils threatned from its miscarriage so few and slender. But in regard of the trust it bears, I shall further examine its strength and substance: First, methinks these Objectours do a little prevaricate, for if they believed their Cause, they might spare their Opposition, and as persons unconcerned, freely give it their Passport. Secondly, Let them reflect, whether the same Argument, having been as confidently urged against Eight *per Cent.* be not sufficiently foyled; And whether though some Necessitous Borrowers have been shrewdly bitten by Extortion, (as some ever were and will be) yet thousands, who otherwise had certainly paid higher rates, have not borrowed at Six *per Cent.* and reaped such benefit by those reducements, as without other unequal payments, would alone have enriched, or at least fairly relieved them. Thirdly, My Errour, if such, is however charitable, in judging better of Creditours, then it seems they do of themselves; For whereas they are hereby represented as contemners of Authority, I rather admit them to be persons of strict Obedience and great Caution, Presuming they will now, (as formerly most of them have done) observe that Law, from which they challenge their only Protection and Warrant. Fourthly, Penal Laws are like large Nets, chiefly designed to catch the great Fish, some Fry will escape, And it matters not greatly here though they pass. For Single Extortions weigh little in this Ballance, It is the Steady Rate of Interest, which coming clear into the lenders own Purse, and in ease and certainty far surpassing other courses, quite turns the scale on that side, so as the Abatement thereof must even naturally buoy up our Lands. Lastly, It seems more then morally certain, That the same Land which is now accepted for the Loan of a Thousand Pounds at Six *pawnes ipso facto* for fifteen hundred at four *per Cent.* (there being no other imaginable standard for Mortgages and consequently for sales, then the computing of Rent with Interest) whereby Security will be restored, and vastly enlarged, And the Land (acquiring as it were a new fund) will lightly carry that burthen, which it now hardly bears, soon shake off its setters, and in time turn Extortion quite out of Doors.

The second Objection, Namely, That if Interest be abated, Men will hoard up their Monies, Seems only considerable from the Quality of those that urge it, who are some of them wise men, and too wise I doubt, too mean as they speak: I might again refer them to former Experience, since this likewise within our Memorie hath been once disproved; Not one that ever I heard of having kept any considerable stock dead for the Smallness of that Revenue, but too many being even charmed with the Sweetness of it. Insomuch as I have lately known divers, who upon the Overture of a convenient purchase, consulting their Pillows, and perceiving, (as needs they must if they do not wink) the present disparity betwixt Interest and Rent, have parted abruptly; Neither indeed have I observed any such treaty which this estimate did not govern, sometimes to the utter disappointment, alwayes to the notable prejudice of the Seller. Surely the greater danger is, That too many will still continue to lend at four *per Cent.* with improved security, rather then otherwise get less with trouble and hazard! But that any should ruinously keep in their Stocks to no Account, seems too Panick a fear, if the

ther we consider the reason of the thing, or temper of the Persons: The Owner of Land in this fall and casualty of Rents, being generally a looser Accomptant of his Advantage, were likelier to incur this Prejudice. And better he might in prudence justifie his preferring some present want of Revenue before the disparagement of his Land: He might with good Colour pretend, it hath been overtilled and wants resting; That a Low Rent will scarce countervail the spoil commonly committed by Tenants at will, and short termours: However he knows the worst, and that he cannot be robbed of his Land: Yet how few Farms do we see Vacant, where the Owner is not either by misfortunes distant of abode, or other more pressing occasions disabled or diverted from the best manegery? Might we not judge him worthier of a Guardian then a Freehold, who having Land, and not wanting other requisites, should for any considerable time, both perversely refuse to let, and carelessly neglect to Stock it? Much more absurd were it for monied men (no way obstructed) neither to lend nor employ their Stocks: And therefore to be presumed, that persons so wise in their generation, will not starve for lack of a Tenant, and ruine themselves to incommode some body. Nothing is so like to interrupt the Free course of Lending (or at least dealing) as the unsoundness of Credit, and Scarceness of Security, which are evidently improved by Law, but undermined by high Interest: For that which we call Money lent being upon the matter nothing else, but Credit from the Lender to the Borrower, and security from the Borrower to the Lender, (as I have occasion often to repeat, and as appears not only by that excellent Law and Practice of transferring debts in *Holland*, but even by daily proof among ourselves, where a small note, nay a Promise frequently serves to represent the payment of a considerable sum) Plenty or Scarcity of Current Security and Credit, (the manifest effect of high or low Interest,) must needs cause Plenty or Scarcity of Current Money. Besides the Loan of Money, corresponds in good Measure with Letting of Land: Now the Landlord that Lets good Penny worths seldome wants substantial Tenants, who commonly thriving, pay their Rents punctually, And challenging a kind of Tenant right, securely repair and improve as upon their own Free-hold: Whereas hard Landlords are generally and justly met with by hinderly and troublesome Farmers, and have their Estates often and ruinously turned into, and lying on their hands. Upon the same grounds of Reason, may we not observe, That even in this low Ebb of Credit, such as is known to have found Estates, and noted to be current paymasters, shall often times be trusted upon much easier then the common terms of lending; And on the other side, those that accept low interest, pick and chuse their security. And it is into most pregnant but withal most evident, That wheresoever Trade is clogged with high Interest, there is no end of Pledges and extreme Cautions, where the rate is tolerable there appears little use or need of them. Fame it self in effect serving as the common Surety for Borrowers, and few that have a name of honesty wanting convenient Credit? Admit then for Arguments sake, the Land of this Kingdom most of it to be vastly overlett, yet no usual husbandry could raise near the Rent of it. (And whether this be not now to like the case of borrowing at six *per Cent.* I appeal to the sad experience of all those, either Landlords or Tenants, whose misfortune it hath been of late considerably to borrow,) what could thence ensue, but such a decay of Farmers, failer of payments, and dearth of fair dealing on all sides, as must needs speedily tend to publick ruine? Wherefore I conclude, that sober Creditours, who propound not to themselves the Lucre of Usury and

Extortion

Encrease; though for their ease and benefit they chuse Interest money in their livelihood, yet if they will give themselves leave and leisure to think, cannot but prefer four and even three pounds payd and fully secured, before six nay eight *per Cent.* ventured upon the stretch of Security and Credit, to the piecemeal from their debtours, with such breach of friendship and Charity, such ill natured Arrests, Seisures, Entries, Shifts, Hazards, Charges, and delayes, as now do, and must every day more and more attend those contracts. And consequently that the moderating of Interest to a Rate, which the Land may comfortably bear, is the only means now left for men to lend safely, borrow easily, and pay duely. Costly Experience, will some say, may in time rectifie all, when most that borrow do not pay, and few that pay borrow: When our great and numerous incumbrances expiring and discharging themselves in the ruine of most borrowers and too many lenders, Credit and Security shall sink together, as they fairly begin to do, and our disease abate for want of humour to feed it: But truly I cannot fancy this Remedy, which too much resembles the decay of Nature, and in stead of real comfort faintly bids us hope, That when things are at the worst they may mend.

Their last Argument importing the danger of calling in Sums unseasonably by such as being abridged of their former income will endeavour otherwise to repair their loss, to the great inconvenience of borrowers, presents more shrewdly to those at least, who spie not its fallacy and self-contradiction. For quitting all publick considerations, and yielding, as it were, the main dispute, it craftily insinuates it self, and whispers singly to every borrower this seemingly pertinent Question, What then will become of you when all your debts shall be called in together? Now this meeting with the natural ew of Borrowers, frights many of them into a Palsie, And the more unreasonable it is, perhaps the more unanswerable, since for a groundless and extravagant fear, no humane wisdom can provide. Thus are the maintainers of this Policy furnished with Arguments of all kinds and colours, accommodated to every purpose; To the lender they suggest that they visibly loose one third of their Revenue, without any hope of recompence; To that all the improvements from thence expected are silly projects; To the borrower that however, in the end it may fare with the Publick, yet they, to be sure will in the mean time be undone, by a general calling in of Sums to purchase Land; To persons more indifferent, as not greatly or immediately concerned in either Condition, That abatement of Interest by Law wil never in any degree answer what is expected from it; For such as have Power will use it as they list, and no man be induced to purchase or trade one whit the sooner; To vulgar capacities, that our rich men will hoard, our best stocks lie dead, and there will scarce be any lending. To reconcile these were indeed a Masterpiece of wit: But in the mean time, such shifting of Scenes and shuffling of Notions (so inconsistent,) notably serves to amuse the unwary and embroyle discourse, which in popular causes, as I said before, proves oftimes a dextrous way of Arguing. The only way therefore to deal with such a Proteus is to confront his several Arguments, and hold him strictly to the point, which an unsound Thesis will scarce abide. For Instance, How comes the note to be so changed say I? It was once alledged that Lenders would still use their own discretion, and take no notice of any Law for Restraint. Then in another vein, most men would be so sullen, as neither to Purchase nor Lend. Now in full career, and, as it were in some grand conspiracy (for plots must be all along presumed) All will call in their sums together and be dealing. What a sure Bow is this

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hat hath ſo many and ſo able ſtrings! But is there no medium betwixt theſe extreams? Are there not in the world perſons of different Condition, genius, nay humour? Are there not many by their Education or preſent Capacity qualified only to live upon Intereſt? Are there not others, who being either affected with thrifty retirement, or enured to the eaſe and immunity of good Towns, nay, addicted to ſpecial fraternities and cabales, are ſo wedded to it, that a ſentence of the Spiritual Court would ſcarce divorce them? Are there not yet others, who being engaged in Callings and Employments ſcarce conſiſtent with Countrey Affairs or Forrain Traffick, may prudently enough continue to lend at a lower rate, rather then entangle them with ſuch variety of Governments? And may there ſtill be good ſtore of thoſe, who meerly guided by their natural Arithmetick, do now betake themſelves to Intereſt for its many preſent advantages, but were the tide and ſtream of Profit turned, would certainly row and Sayle with it? He that was ſent to diſcover the ſtrength of the French-Army at *Agencourt*, returned with this auſpicious verdict, that there were enough to kill, to take, and to eſcape by flight. So were the gain of lending now reduced to a nearer correſpondence with that of other dealings, by the ſame good omen, it might ſoon appear, that among our Legions of Creditours, there would be enough greatly to raiſe the value of our Lands by purchaſing; Enough, vaſtly to agument the bulk of our commerce by Trading, and yet enough, if not too many to Lend at Intereſt: However our comfort is, they would then, Live, and let Live, this being the principal end herein aimed at, and indeed moſt important to the Commonwealth, that ſuch as will not uſe their own ſtock, may, (if not for private conſcience, yet for publick good,) afford a Pennyworth to thoſe that manage it for them, of whom it is certain, that now (in huſbandry at leaſt,) not one of twenty both, or can, with his beſt conduct, thrive, But in truth this objection of prejudicing Creditours, by the ſudden and general calling in of ſums for better employment, anſwers it ſelf by granting all that is required: For who ſees not, that ſuch a ſummons neceſſarily imports great ſtore of Purchaſing whereby the Market of our Lands would be exceeding quickned, all that have Eſtates to more in value then their debts, abundantly gratified for their trouble, if any they ſhould receive, and enabled to relieve themſelves by convenient ſale; And the Gentry being this in good meaſure diſenthralled; Borrowing would ſoon become more eaſie and tolerable to Tradeſmen, who now juſtly complain, that Credit is almoſt engroſſed by Land: Certainly the Notion of ruining Borrowers by abatement of Intereſt, (if the parties concerned would vouchſafe to conſider it,) is not much unlike that of undoing Tenants by letting them good pennyworths, and puniſhing Landlords with eaſe of their Taxes.

It were not unreaſonable to ſuppoſe, that well-adviſed Creditours, finding they can mend their rate, liking their ſecurity, and naturally both fearing hazard and loathing trouble, (perhaps the moſt of any,) would be as backward to demand their Principal, as Borrowers to provide it, ſince the difficulty of well placing a ſum proves commonly now a dayes equal in effect with that of procuring it (So generally do Credit and Security go hand in hand, being, as was ſaid before, perfect Relatives:) Yet to leave nothing unconſidered, but even, if poſſible, prevent the doubts of all ſuch as do not either affectedly take Scruple for Wiſdom, or are naturally afraid of their own ſhadows, whom miracles only can convince, I refer the unſatisfied to the wiſe proviſion and preſident of former Statutes for abatement of Intereſt, whereby the Reducement takes place only in new

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and fostering contracts, the former Rate being still permitted, where the Security is no
alterable upon which Account much Credit in this Kingdome is yet legally continued
eight per cent. tending to the profit, yet to the presumed Ease of Borrowers, in whose o
pon it rests. Thus would the wise Lender be further bribed to compliance as it wer
with the yearly Brokage of two per Cent. Debtors that have, or can procure Credi
would be forthwith considerably relieved in their constant payments, others equally
their trouble, and necessary Charges, And the suffering, in comparison of the gaining Bo
sowers, must needs be, (if any) not one to a hundred. Having thus, as briefly
I could, delivered you my sense, I Remain.

SIR,

Your Faithfull Servant.

R. W.

FINIS.